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Dominion Tar & Chemical Company

L I M I T E D

Annual Report

1960

DIRECTORS

Robert A. Bryce, Toronto
*C. Gordon Cockshutt, Brantford
Ralph W. Cooper, Hamilton
*H. Roy Crabtree, Montreal
Shirley G. Dixon, Q.C., Montreal
George H. Dobbie, Galt
Raymond Dupuis, Q.C., Montreal
Percy M. Fox, Montreal
C. L. Gundy, Toronto
Roger T. Hager, Vancouver
*W. N. Hall, Montreal
J. G. Kirkpatrick, Montreal
H. R. MacMillan, C.B.E., D.Sc., LL.D., Vancouver
*M. W. McCutcheon, C.B.E., Q.C., Toronto
J. A. McDougald, Toronto
*W. E. Phillips, C.B.E., D.S.O., M.C., LL.D., Toronto
*E. P. Taylor, C.M.G., Toronto
Lionel O. P. Walsh, Montreal
*Colin W. Webster, Montreal

*Members of the Executive Committee
E. P. Taylor, C.M.G., Chairman.

OFFICERS

E. P. Taylor, C.M.G., Chairman of the Board
W. N. Hall, President
D. S. Thomas, F.C.I.S., Vice-President
W. E. Adkins, Vice-President, Engineering
R. M. Collins, Vice-President, Production
P. N. Gross, Vice-President
R. E. Kirbyson, Vice-President
H. E. Mason, Vice-President
W. R. Spence, Vice-President
E. A. Thompson, Assistant Vice-President
W. J. Strain, Comptroller
S. A. Kerr, C.A., F.C.I.S., Secretary and Treasurer
C. A. Brooke, A.C.I.S., R.I.A., Assistant Secretary
E. G. Aust, C.A., Assistant Treasurer

Twenty-second floor, Sun Life Building,
Montreal 2, Quebec

GENERAL OFFICES

TRANSFER AGENTS

— for preference and common shares:

— for common shares only:

Montreal Trust Company — Halifax, N.S.,
Saint John, N.B., Montreal, Que.,
Toronto, Ont., Winnipeg, Man., Vancouver, B.C.
Empire Trust Company, New York, N.Y.

REGISTRARS

— for preference and common shares:

— for common shares only:

The Royal Trust Company — Halifax, N.S.,
Saint John, N.B., Montreal, Que.,
Toronto, Ont., Winnipeg, Man., Vancouver, B.C.
Empire Trust Company, New York, N.Y.



HIGHLIGHTS

1960 1959

Net Sales	\$215,116,592	\$219,293,198
Total Assets per Balance Sheet	\$227,676,814	\$214,277,988
Wages and Salaries	\$ 57,024,179	\$ 57,086,373
Materials, Services, etc.	\$123,589,187	\$127,241,824
Net Earnings	\$ 10,079,345	\$ 11,230,918
Earnings per Preference Share	\$ 33.60	\$ 37.43
Earnings per Common Share.	\$ 1.43	\$ 1.61
Common Shares Outstanding	6,805,932	6,782,232
Dividends per Preference Share-Annual Rate . . .	\$ 1.00	\$ 1.00
Dividends per Common Share-Annual Rate60	.60
Dividends Paid	\$ 4,383,559	\$ 4,369,339
Balance of Net Earnings retained in the Business.	\$ 5,695,786	\$ 6,861,579
Funded Debt Interest.	\$ 2,553,760	\$ 2,013,194
Earnings available for Funded Debt Interest . . .	\$ 35,168,161	\$ 35,718,474
Funded Debt Interest Coverage	13.77	17.74
Outlays on Land and New Buildings, Plant and Machinery.	\$ 17,309,022	\$ 29,930,657
Book Value per Common Share	\$ 15.39	\$ 14.25
Number of Preference Shareholders	1,696	1,672
Number of Common Shareholders	16,834	16,060
Number of Employees	12,412	13,275

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The audited statement of the affairs of your Company and its subsidiaries for the year ended December 31, 1960 is submitted herewith.

SALES:

The consolidated sales of your Company were \$215,116,592 compared with \$219,293,198 the previous year.

Sales were divided among the operating divisions in approximately the following ratios:

	1960	1959
Building Materials	30%	35%
Chemicals	26%	24%
Pulp and Paper	44%	41%

The decrease in dollar value of sales was entirely in the Building Materials division. The other two divisions showed small increases.

PROFIT AND DIVIDENDS:

Operating earnings before investment income, interest on funded debt, depreciation, income taxes and minority interests were \$34,503,226 compared with \$34,965,001 the previous year. These operating earnings as a percentage of sales were 16% in 1960 and 15.9% in 1959. After charging interest on funded debt, the total of which was higher on account of interest provided on the debentures sold during the year, and after providing for depreciation and depletion, and after providing for income taxes estimated to be payable in respect of the year's earnings, the profit amounts to \$10,079,345 compared with \$11,230,918 the previous year.

The earnings per common share were \$1.43 which compares with \$1.61 reported a year ago.

Dividends were declared at the rates of \$1.00 per annum on the preference shares and 60¢ per annum on the common shares, calling for a total payment of \$4,383,559. In January, 1961 your Directors decided the continued level of earnings warranted an increase in the dividend and changed

the annual rate on the common shares from 60¢ to 80¢.

BALANCE SHEET, WORKING CAPITAL, FUNDED DEBT AND CAPITAL EXPENDITURES:

The working capital increased during the year from \$38,881,551 to \$52,237,008.

\$15,000,000 6 1/4% sinking fund debentures were sold as of May 1, 1960 and, after meeting sinking fund requirements, the net increase in the consolidated funded debt was \$12,567,500.

23,700 common shares were issued during the year for \$296,487 under the Employees' Stock Purchase Plan.

The Company's capital expenditure program entailed net outlays of \$17,309,022 during the year. After deducting accumulated depreciation and depletion, the net increase in fixed assets was \$6,231,341.

The authorized share capital was increased from 10,000,000 to 20,000,000 common shares without nominal or par value by Supplementary Letters Patent dated February 10, 1961.

PAPER INDUSTRY EXPANSION:

Your Company has been heavily engaged in the paper industry for several years through its 61% owned subsidiary, Howard Smith Paper Mills, Limited. Your Directors believe the Company should consolidate its present position by acquiring the remaining common shares of Howard Smith, other than those held by residents of the United States of America. Your Directors also believe it is desirable to expand further in the paper industry, particularly where this will bring a further product diversification in this field, and to this end are making, as you are already aware, an offer to acquire all the outstanding common shares of St. Lawrence Corporation Limited, other than those held by residents of the United States of America.

OPERATIONS:

The rock salt mine operated profitably throughout the year. Whereas in previous years rock salt was imported into Canada, in 1960 it was exported from your Company's Goderich mine in substantial quantities. The Company is enjoying the benefit of the 36 months' tax-free profits on these operations provided by the Income Tax Act in respect to new mines coming into operation. This benefit will apply also to the 1961 and 1962 operations.

The new paper machine at Cornwall, No. 6, which came into operation in January, 1960, operated successfully after absorbing the usual considerable start-up expense. This investment will make a full contribution to profits in future years.

The newsprint mill at Donnacona started the year with a relatively poor operating rate but in the last two months of 1960, and in the early weeks of 1961, operated substantially at capacity. The Donnacona board mill operated at 97% of capacity, notwithstanding the general decline in the building industry.

The Hamilton tar distillation plant continues to operate efficiently and profitably, and the Coal Tar Products division generally had a successful year. An appropriation has been approved to expand the phthalic anhydride plant at Toronto by adding a modern fluid bed catalyst unit having a capacity of approximately 20,000,000 lbs. a year.

The Javex division, which retails household bleaches, detergents, etc., established new records of sales and profits and made initial promising starts in the export trade.

With the exception of Donnacona board, already mentioned, and Arborite, all the divisions of the Company operating in the Building Materials field had lower sales in 1960 than in 1959, and all but one had lower profits. This total fall-

off in both sales and profits was less than might have been expected in view of construction industry statistics.

Up to this time each division in the Building Materials group has been responsible for both its own sales and production but arrangements are presently being made in the Maritimes and in Quebec to have a single sales organization in each of these areas to handle all the building materials produced by the Cooksville-Laprairie Brick division, the Donnacona company, the Construction Materials division of Gypsum, Lime & Alabastine Limited, and the Murray-Brantford division. It is expected this change will greatly improve the efficiency of distribution of the products from these divisions.

Your management has shown its continuing confidence in the future of the building and construction materials industry by acquiring the business of Prairie Fibreboard Limited of Saskatoon, which acquisition gives your Company a board manufacturing plant in Western Canada. In recent years it has become more and more difficult to compete in this market with shipments from the plant at Donnacona, Quebec.

OFFICERS AND DIRECTORS:

It is with great regret that the death is reported of The Right Honourable Clarence D. Howe, P.C., LL.D., who joined your Board of Directors in October, 1957 and in the interval contributed valuable advice and support, which your Directors much appreciated.

The Board expresses its thanks to all the Officers and Employees whose loyalty and industry make possible your Company's success.

On Behalf of the Board

E. P. TAYLOR W. N. HALL
Chairman *President*

Montreal, Canada, February 13, 1961.

CONSOLIDATED BALANCE SHEET

ASSETS

1960

1959

CURRENT:

Cash	\$ 2,079,152	\$ 1,179,225
Trust deposits and short term securities and loans	3,825,000	2,638,600
Accounts receivable	29,224,772	29,369,860
Inventories of finished products, work in process, raw materials and supplies at lower of cost or market	34,663,693	33,015,565
Advances on woods operations	5,197,938	2,483,894
Prepaid insurance and property taxes	1,468,124	805,810
	\$ 76,458,679	\$ 69,492,954

INVESTMENTS AND ADVANCES, at cost	\$ 2,933,946	\$ 2,732,186
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FIXED ASSETS:

Land and water power, at cost	\$ 4,758,067	\$ 4,615,956
Buildings, plant, machinery, equipment and timber limits — Note 2	254,640,771	237,473,860
	\$259,398,838	\$242,089,816
<i>Less:</i> Accumulated depreciation and depletion	111,114,649	100,036,968
	\$148,284,189	\$142,052,848

SIGNED ON BEHALF OF THE BOARD:

W. N. HALL, Director

COLIN W. WEBSTER, Director

\$227,676,814	\$214,277,988
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AS AT DECEMBER 31 1960

LIABILITIES

1960

1959

CURRENT:

Bank loan and bank overdraft	\$ —	\$ 4,519,010
Accounts payable and accrued liabilities	16,576,425	19,793,627
Provision for income and other taxes — Note 3	6,254,175	4,893,818
Dividends payable	1,391,071	1,404,948
	<hr/>	<hr/>
	\$ 24,221,671	\$ 30,611,403
FUNDED DEBT — Note 4	\$ 56,036,000	\$ 43,468,500
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HOWARD SMITH PAPER MILLS, LIMITED:

160,000 cumulative preferred shares of \$50 each	\$ 8,000,000	\$ 8,000,000
	<hr/>	<hr/>

**INTEREST OF MINORITY HOLDERS OF COMMON
SHARES IN SUBSIDIARY COMPANIES**

\$ 27,591,282

\$ 28,493,777

CAPITAL:

Capital stock —		
Cumulative redeemable preference shares, each of a par value of \$23.50 with annual dividend of \$1.00 —		
Authorized and issued — 300,000 shares	\$ 7,050,000	\$ 7,050,000
Common shares without nominal or par value — Note 6		
Authorized — 10,000,000 shares		
Outstanding — 6,805,932 shares (after issue of 23,700 shares for \$296,487 in 1960)	53,999,757	53,703,270
Surplus resulting from restatement of certain fixed assets — Note 5	13,900,011	11,093,731
Earned surplus, per statement attached	36,878,093	31,857,307
	<hr/>	<hr/>
	\$111,827,861	\$103,704,308
	<hr/>	<hr/>
	\$227,676,814	\$214,277,988
	<hr/>	<hr/>

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1960

	1960	1959
Sales	\$215,116,592	\$219,293,198
Cost of sales including selling, general and administrative expenses	180,613,366	184,328,197
	<hr/>	<hr/>
	\$ 34,503,226	\$ 34,965,001
Investment and sundry income	664,935	753,473
	<hr/>	<hr/>
	\$ 35,168,161	\$ 35,718,474
Interest on funded debt	\$ 2,553,760	\$ 2,013,194
Depreciation and depletion	12,500,000	12,500,000
Income taxes — Note 3	7,605,000	7,150,000
Provision for minority interests	2,430,056	2,824,362
	<hr/>	<hr/>
Profit for the year — Note 3	\$ 25,088,816	\$ 24,487,556
	<hr/>	<hr/>
	\$ 10,079,345	\$ 11,230,918
Profit on sale of shares of Gypsum, Lime and Alabastine, Canada, Limited	—	2,939,774
Earned surplus — balance at beginning of year	31,857,307	22,055,954
	<hr/>	<hr/>
	\$ 41,936,652	\$ 36,226,646
Discount on issue of debentures	\$ 675,000	\$ —
Dividends on preference shares	300,000	300,000
Dividends on common shares	4,083,559	4,069,339
	<hr/>	<hr/>
Earned surplus — balance at end of year	\$ 5,058,559	\$ 4,369,339
	<hr/>	<hr/>
	\$ 36,878,093	\$ 31,857,307
	<hr/>	<hr/>

The following amounts were paid by the Company during 1960 in respect of:
remuneration of executive officers \$404,815; directors' fees \$30,300; legal fees \$42,934.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 — PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements comprise the accounts of all subsidiary companies, including those of Howard Smith Paper Mills, Limited and its subsidiary companies in which company Dominion Tar & Chemical Company, Limited has an equity of 61.6% of the outstanding common shares.

Condensed statements of financial position of Howard Smith Paper Mills, Limited and its subsidiaries at December 31 1960 and of the results of operations for the year ended on that date are shown hereunder:

Current assets	\$43,008,724
Current liabilities	14,495,339
	<hr/>
Fixed assets, less depreciation and depletion of	
\$80,797,063	59,568,790
Other assets	1,475,415
	<hr/>
	89,557,590
Funded debt and preferred shares	19,780,000
Common stock and surplus	<hr/> <u>\$69,777,590</u>
Profit from operations before the undernoted items —	\$18,013,073
Interest on funded debt	\$ 417,285
Depreciation and depletion	5,922,334
Income taxes	6,090,168 12,429,787
Net profit	<hr/> <u>\$ 5,583,286</u>

NOTE 2 — BUILDINGS, PLANT, MACHINERY, EQUIPMENT AND TIMBER LIMITS — BASIS OF VALUATION:

Dominion Tar & Chemical Company, Limited and subsidiary companies, excluding Howard Smith Paper Mills, Limited and its subsidiary companies, at depreciated replacement values as determined by The Canadian Appraisal Company Limited in 1949, 1950, 1952 and 1953, plus subsequent additions at cost \$116,298,709

Howard Smith Paper Mills, Limited and subsidiary companies, at their cost 138,342,062

\$254,640,771

NOTE 3 — INCOME TAXES:

Income taxes have been calculated on the basis of the intention to claim capital cost allowances which exceed depreciation provided in the accounts by \$3,564,000. As a result the total taxes otherwise payable for the year have been reduced by approximately \$1,790,000. The cumulative amount by which taxes otherwise payable have been reduced is approximately \$5,170,000.

NOTE 4 — FUNDED DEBT: 1960 1959

Dominion Tar & Chemical Company, Limited —

3½% First mortgage bonds, series "B" maturing August 1 1970 . . .	\$ 3,000,000	\$ 3,300,000
5% Sinking fund debentures, series "A", due June 1 1965 . . .	5,000,000	5,000,000
5¼% Sinking fund debentures, series "A", due June 1 1978 . . .	22,500,000	22,500,000
6¼% Sinking fund debentures, series "B", due May 1 1980 . . .	15,000,000	—
	<hr/>	
	\$45,500,000	\$30,800,000
Less: Held for sinking fund	1,244,000	75,000
	<hr/>	
	\$44,256,000	\$30,725,000

Howard Smith Paper Mills, Limited —

First mortgage bonds, 1950 series—		
2¾% due December 1 1960 . . .	\$ —	\$ 600,000
3% due December 1 1961-1970 . .	6,000,000	6,000,000
4½% Debentures, series "A", due June 1 1961	1,922,500	2,121,000

Donnacona Paper Company, Limited —

First mortgage 3½% bonds, series "B" and "C" maturing July 1 1962 (\$3,355,000 payable in U.S. funds)	3,857,500	4,022,500
	<hr/>	
	\$11,780,000	\$12,743,500
	<hr/>	
	\$56,036,000	\$43,468,500

The following amounts are required for retirement of funded debt in 1961:

Dominion Tar & Chemical Company, Limited	\$1,550,000
Less: Amounts held by Company, as above	1,244,000 \$ 306,000
Howard Smith Paper Mills, Limited	2,522,500
Donnacona Paper Company, Limited	165,000
	<hr/>
	\$2,993,500

NOTE 5 — SURPLUS RESULTING FROM RESTATEMENT OF CERTAIN FIXED ASSETS:

Excess of restated depreciated value over depreciated book value of certain fixed assets (unchanged during year)	\$15,141,969
Net excess of consideration for acquisition of shares of subsidiaries over book value of net assets (after net decrease of \$2,806,280 during 1960)	1,241,958
	<hr/>
	\$13,900,011

NOTE 6 — SIGNIFICANT POST BALANCE SHEET EVENTS

On February 10 1961 the Company obtained Supplementary Letters Patent authorizing an increase in the capital stock by the creation of an additional 10,000,000 common shares without nominal or par value.

The Company has given notice of its intention to acquire (1) 657,052 outstanding common shares of Howard Smith Paper Mills, Limited, being the approximate number of shares held by shareholders other than residents of the United States of America, in consideration of the issue of 1,642,630 common shares of Dominion Tar & Chemical Company, Limited.

(2) 3,567,760 common shares of St. Lawrence Corporation Limited, being the approximate number of shares held by shareholders other than residents of the United States of America, in consideration of the issue of 4,905,670 common shares of Dominion Tar & Chemical Company, Limited.

If the above proposed transactions should be completed Dominion Tar & Chemical Company, Limited would own about 97% of the outstanding common shares of Howard Smith Paper Mills, Limited and about 80% of the outstanding common shares of St. Lawrence Corporation Limited.

Condensed statements of financial position at December 31

1960 and of the results of operations for the year ended on that date of Howard Smith Paper Mills, Limited and subsidiary companies are included in Note 1. Condensed statements of financial position at September 30 1960 and the results of operations for the nine months ended on that date of St. Lawrence Corporation Limited and subsidiary companies as reported upon by that Company's auditors are shown below:

Current assets	\$ 66,682,148
Current liabilities	21,199,433
	<u>\$ 45,482,715</u>
Fixed assets, less accumulated depreciation and depletion of \$47,054,010	64,982,051
	<u>\$110,464,766</u>
Other assets	1,277,509
	<u>\$111,742,275</u>
Funded debt and preferred shares	64,884,354
Common stock and surplus	<u>\$ 46,857,921</u>
Net profit for the nine months ended September 30 1960 available for common shareholders	<u>\$ 4,855,778</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

February 10 1961

We have examined the consolidated balance sheet of Dominion Tar & Chemical Company, Limited and subsidiary companies as at December 31 1960 and the consolidated statement of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Other than for Howard Smith Paper Mills, Limited and its subsidiary companies, to which reference is made below, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In respect of Howard Smith Paper Mills, Limited and its subsidiary companies, we were furnished with a consolidated balance sheet as at December 31 1960 and related consolidated statements of income and expenditure and earned surplus for the year ended on that date, together with the auditors' report thereon.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies examined by us and by the audited statements of Howard Smith Paper Mills, Limited and its subsidiary companies, the accompanying consolidated balance sheet and the related consolidated statement of profit and loss and earned surplus, with the notes thereto, are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of Dominion Tar & Chemical Company, Limited and subsidiary companies as at December 31 1960 and the results of their combined operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.
Chartered Accountants

DIVERSIFIED PRODUCTS SERVING DIVERSIFIED INDUSTRIES

A Canadian-owned Company producing a wide range of products serving diversified segments of Canada's economy.

The broad base of its product line and the wide range of its customers provide for protection against adverse fluctuations in areas or portions of the economy.

On the following pages we illustrate a few of the many industries served by this Company. Through national distribution channels the Company's products are used from coast to coast and in the export market by an ever increasing number of industries and customers.

CONSTRUCTION



The new Westminster School, Montreal.

Photo courtesy Cooksville-Laprairie Brick Limited.

The construction industry is Canada's largest industry.

It is expected that 80 billion dollars will be spent on construction in the next decade.

The rate of growth slackened somewhat in 1960 but the longer term prospects are good with cities and towns expanding over new ground at the rate of 100 square miles a year.

Included in the Company's many building products are lumber, bricks and tiles; "Gyproc" wallboard and sheathing; "Donnacona" insulating board; "Arborite" decorative plastic wallboard and table top materials; roofing and shingles; "Siporex" precast lightweight concrete slabs; and pitch and fibre soil and drain pipe. In almost every building there is a place for one or more products made by your Company's Building Materials Divisions.

PUBLIC UTILITIES

Canada's railroads, power companies and communications organizations are large users of creosoted wood products in the form of ties, poles and cross arms.

Treated wood lasts some five times longer than untreated wood and enables the use of species that otherwise have little economic value. This increased product life and utilization of unwanted species help Canada to stretch out her forest resources.

The unsightly mess of wires which formerly cobwebbed our streets are fast going underground in fibre conduit produced by our Company from coal tar pitch and paper. Thus prosaic black coal tar pitch is actually an urban cosmetic.



Erecting wooden trestle.

Photo courtesy of CN

STEEL

Steel capacity is one of the indices of industrialization and high living standards. In both of these Canada stands well to the top. Aiding in the production of steel we supply each year many thousands of tons of lime. At the same time we purchase much of the coal tar produced by the steel industry's coking ovens from which we produce chemicals. Thus as both a market and a source of raw material the Steel Industry is as important to our operations as we are to its operations.



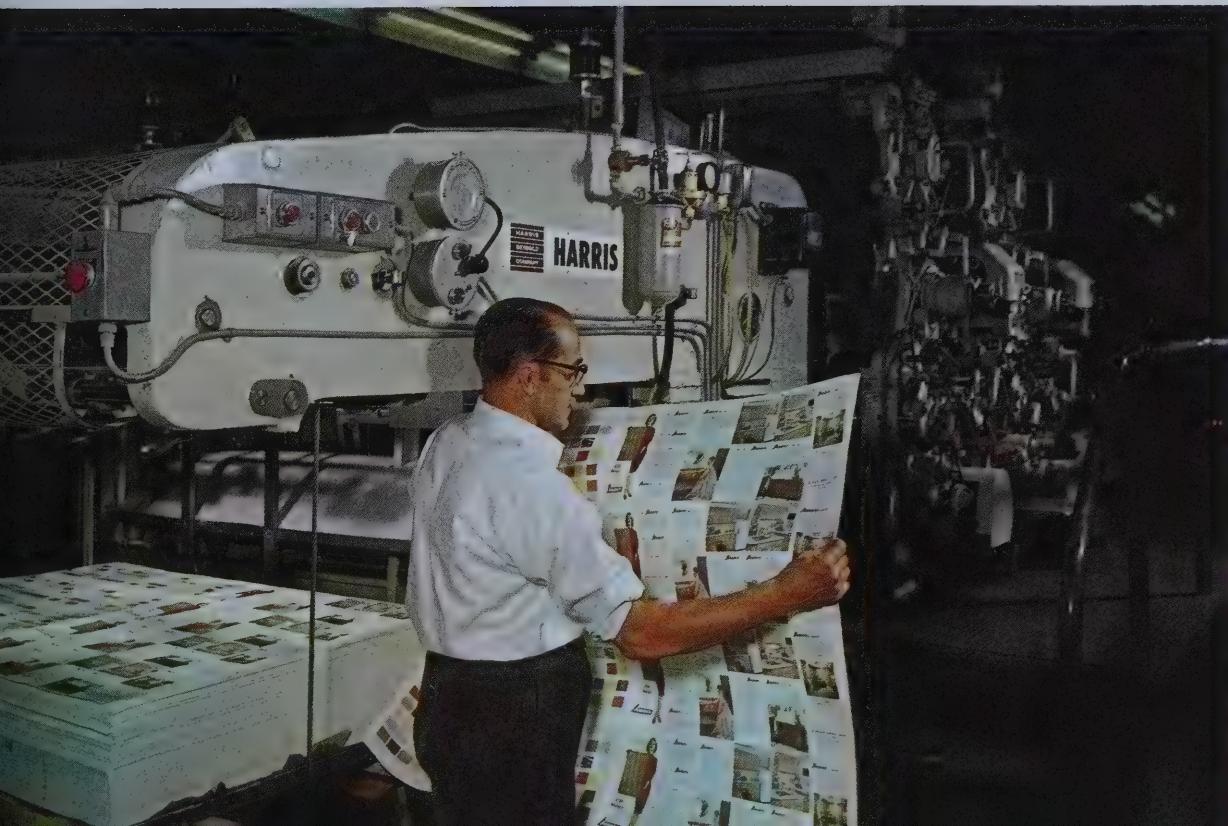
New Blast Furnace of Dofasco at Hamilton, Ontario.

GRAPHIC ARTS AND PAPER CONVERTING

Printing and its companion, Publishing, is the very foundation of our present society. Through it, the accumulated knowledge of the past is stored for our enlightenment. Books, newspapers and magazines provide entertainment and education, and keep us informed on current events. Printing also adds beauty and utility to the packaging of goods and provides the documents and communications so necessary to commerce.

Basic to the Graphic Arts Industries is Paper in all its various kinds and forms. Our subsidiary, Howard Smith Paper Mills, Limited, and its subsidiary companies make over 500 grades of paper which serve every section of the Graphic Arts and Paper Converting Industries.

Offset colour press
in Gazette Printing Company
(Limited), Montreal.



PULP AND PAPER

Canada's pulp and paper industry is one of the largest in the world, and it is the world's largest exporter of pulp and paper products. In addition to producing paper, we supply this industry with salt for the production of chlorine bleach, lime for bleaching, dyes for colouring and detergents and chemicals for pulp and paper processing.



Newsprint Mill, Dolbeau, Quebec. Photo courtesy St. Lawrence Corporation.

PUBLIC WORKS

Highway ice control through the use of salt reduces accidents due to winter driving conditions and reduces the cost of highway maintenance. Many thousands of tons of our salt are used each year to keep urban and rural roads free of hazards.

In another field creosoted wood products provide the timbers for wharves and jetties and pole type storage sheds and barns usually covered with asphalt shingles or built-up roofing.

PAINT AND VARNISH

The paint and varnish industry, producing paints for the decoration and protection of our homes, for industry, for automobiles and a wide variety of other uses, consumes chemicals such as phthalic anhydride and pigments produced by our Company.



Photo courtesy of General Aniline and Film Corporation.

Aluminum pot line.

Photo courtesy of Alcan.



Cattle sheds at Joliette, Quebec.

ELECTRO-METALLURGY

Aluminum, carborundum and many special metal alloys must be made in electric furnaces. In these, large amounts of electricity applied to huge carbon electrodes provide the necessary heat. One of the ingredients in these electrodes is coal tar pitch which is produced by the Coal Tar Products Division as a by-product after the production of creosote and chemicals. Canada's huge aluminum industry provides a large market for our pitch.

CHEMICALS

Canada's chemical industry is large and diversified — it has its origin in such basic materials as coal, refinery gas, sulphur and salt, upgrading them in stages to chemicals for industry.

Chemicals produced by our subsidiary, Chemical Developments of Canada Limited, and by our Coal Tar Products Division, are used by the chemical industry in the production of chemicals and plastics.

AGRICULTURE

Canada's farmers are becoming more efficient each year. They are carrying that efficiency into areas which often were neglected in the past. Our Company is happy to have assisted in some of these advances. Creosoted posts and timbers enable the farmer to build fences and buildings with lower costs and longer trouble-free life. Our chemicals help protect crops and specially formulated salt licks produce healthier livestock.

For his house, his sheds and his barns the farmer has many choices of building products made by the Company.



Fishing seiners
in Vancouver Harbour.
Photo National Film Board.

FISHING

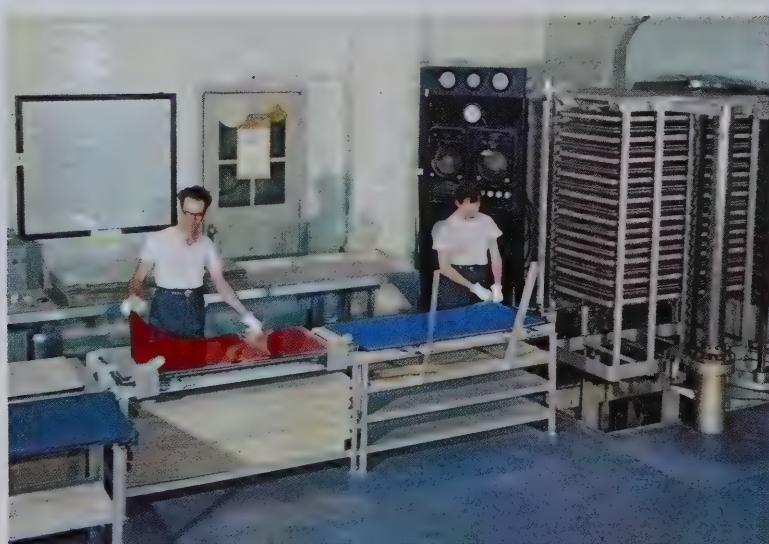
On both coasts and in some inland waters the hardy fishermen trawl and net a bountiful harvest from the waters. Domestic markets demand their fish both fresh and frozen and much of it is kept that way through the use of circulating brine refrigeration. Export of salted and dried fish though takes a good portion of each year's catch. Thus salt, which originally came from the oceans many millions of years ago, is used to enhance the value of creatures which are harvested today.



Dye Testing Laboratory, Dominion Textiles Limited.

TEXTILES

The textile industry producing goods from cotton, wool and synthetic fibres is a heavy consumer of the products of our subsidiary, Chemical Developments of Canada Limited. Dyestuffs, synthetic detergents and dispersing agents are supplied to meet the needs of this industry.



RESIN AND PLASTICS

This rapidly growing industry is served by the products of our Company including phenol and cresol for phenol formaldehyde type resins, phthalic anhydride for plasticiser and resin production and pigments for use in coloring plastics.

Plastic sheets.

Photo courtesy Shawinigan Chemicals Limited.

MURRAY-BRANTFORD SASKATOON PLANT

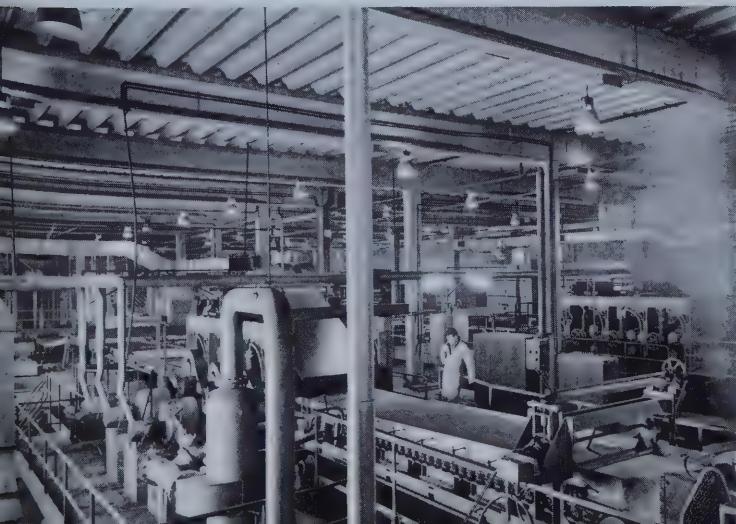


Fibreboard Plant, Saskatoon, Sask.

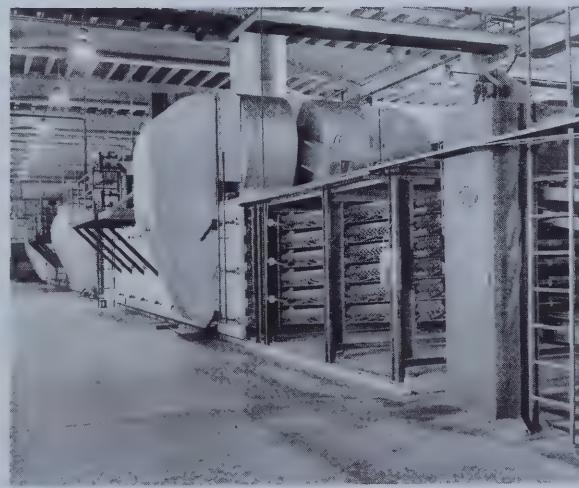
In December, 1960 your Company acquired the business of Prairie Fibreboard Limited of Saskatoon. Constructed four years ago, the plant has been making both insulating board and hardboard. It has an annual capacity of 30 million square feet and although its equipment is modern further capital expenditures will be required to increase its operating efficiency and improve the quality of its products.

The plant will be operated as an integral part of Murray-Brantford Limited which has extensive marketing facilities in Western Canada. It will further ensure the supply of board products to protect the Company's position on other building materials, particularly built-up roofing, which are generally sold on a package deal basis.

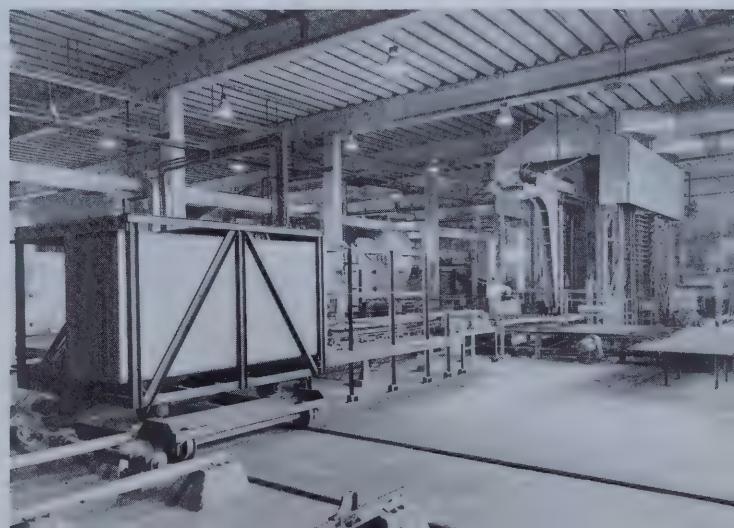
Hardboard Machine



Softboard Drying Oven



Hardboard Press Section



CAPITAL PROGRAM



Drilling blast holes
salt mine, Goderich, Ont.



New Cooksville-Laprairie Brick Plant, Ottawa, Ont.



Outside conveying equipment for "Haydite",
Cooksville, Ont.

Plant of Continental-Diamond Fibre, Toronto, Ont.
A division of the Arborite Company.

1960 PROGRAM

CANADA CREOSOTING COMPANY, LIMITED

New Treating Plant, Prince George, B.C.
Fire Retardant Treating Plant, Toronto, Ont.
Pole Peeler, Newcastle, Ont.

CHEMICAL DEVELOPMENTS OF CANADA LIMITED

Improvements to Manufacturing Facilities,
Longford, Ont.
Detergent Facilities, Longford, Ont.

COAL TAR PRODUCTS DIVISION

Refined Naphthalene Plant, Toronto, Ont.
Land Acquisition, Toronto, Ont.
Increased Capacity, Metal Powders Plant,
Iberville, Que.

COOKSVILLE-LAPRAIRIE BRICK LIMITED

New Brick Plant, Ottawa, Ont.
Expansion "Haydite" Facilities, Cooksville, Ont.

GYPSUM, LIME & ALABASTINE LIMITED

Roller Mill, New Westminster, B.C.
Office Building, Winnipeg, Man.
Board Plant, Calgary, Alta.
"Perlite" Expanded Aggregate Plant, Calgary, Alta.
Bundler and Board Pilers, Winnipeg, Man.
Extension to Board Plant, Caledonia, Ont.
Rock Reserves, Beachville, Ont.
Quarry Equipment, Hespeler, Ont.

JAVEX COMPANY LIMITED

New Javex Plant, Edmonton, Alta.

MURRAY-BRANTFORD LIMITED

Acquisition of the Business of Prairie Fibreboard
Limited, Saskatoon, Sask.
Facilities for Using Paper Mill Wood Rejects,
Thorold, Ont.
"No-Co-Rode" Tooling Equipment, Cornwall, Ont.
Conduit Handling Equipment, Cornwall, Ont.

SIFTO SALT (1960) LIMITED

New Brine Field, Goderich, Ont.
Water Supply, Unity, Sask.
Boiler Firing Revisions, Unity, Sask.
New Packaging Line, Goderich, Ont.
New Packaging Line, Unity, Sask.
Underground Equipment, Goderich, Ont.

SIPOREX LIMITED

Additional Production Equipment, Delson, Que.

HOWARD SMITH PAPER MILLS, LIMITED

Trimbey Stock Preparation System, Cornwall, Ont.
Extension to Offices, Cornwall, Ont.
Roll Grinder, Cornwall, Ont.
Barking, Slashing, Loading Facilities, Sultan, Ont.

CANADA PAPER COMPANY

Hardwood Woodyard and Chip Facilities
Stainless Steel Overlay, No. 7 Digester

ALLIANCE PAPER MILLS LIMITED

Woodroom Chipping & Conveying Equipment,
Merritton, Ont.

THE ARBORITE COMPANY LIMITED

Acquisition of the Assets of Continental-Diamond
Fibre Co. Limited, Toronto, Ont.
Installation of new 5 x 12 ft. Press, LaSalle, Que.
New Paper Impregnating Facilities, LaSalle, Que.
Caul Plate Buffing Equipment, LaSalle, Que.

DONNACONA PAPER COMPANY, LIMITED

Extension to Board Mill Acoustic Tile Department
Extension to Board Mill Painting Facilities
Automatic Roof Insulation Wrapping Installation
1000 H.P. Generator Installation
New Pulp Screening Equipment

THESE ARE THE MAIN PRODUCTS OF OUR

CHEMICALS

CANADA CREOSOTING COMPANY, LIMITED

Executive Office Montreal, Que.

Plants

North Vancouver, B.C.; New Westminster, B.C.; Prince George, B.C.; Calgary, Alta.; Edmonton, Alta.; Prince Albert, Sask.; Transcona, Man.; Sudbury, Ont.; Toronto, Ont.; Trenton, Ont.; Delson, Que.; Newcastle, N.B.; Truro, N.S.

Timber Limits British Columbia.

Main Products "C.C.C." brand Pressure Treated Wood Products for use as railway ties, power and telephone poles and crossarms, wharves and other marine structures, bridges and culverts, foundation piling and mine timbers, roof and deck planking, wood block floors, highway guard rails and posts, pole type buildings and fence posts; custom preservative treatment of customers' materials; "Pyresote" and "Protexol" fire retardant treated wood products.

CHEMICAL DEVELOPMENTS OF CANADA LIMITED

Executive Office Montreal, Que.

Plant Longford Mills, Ont.

Main Products Basic chemicals for liquid detergents; Carboxymethylcellulose; Dyestuffs and Pigments.

COAL TAR PRODUCTS DIVISION

Executive Office Montreal, Que.

Plants

Sault Ste. Marie, Ont.; Hamilton, Ont.; Toronto, Ont.; Montreal, Que.; Lachine, Que.; Iberville, Que.; Sydney, N.S.

Main Products Coal Tar Pitches; Creosote; Naphthalene; Tar Acids; Phthalic Anhydride; Iron and Iron Alloy Powders.

GYPSUM, LIME & ALABASTINE LIMITED INDUSTRIAL MATERIALS DIVISION

Executive Office Toronto, Ont.

Plants

Blubber Bay, B.C.; Granville Island, B.C.; Beachville, Ont.; Hespeler, Ont.; Paris, Ont.; Joliette, Que.

Quarries and Mines

Blubber Bay, B.C.; Beachville, Ont.; Hespeler, Ont.; Joliette, Que.; Ste. Emelie, Que.; St. Marc, Que.

Main Products Lime; Sand; Crushed and Pulverized Stone.

HOWARD SMITH PAPER MILLS, LIMITED (CHEMICALS)

Executive Office Montreal, Que.

Plant Cornwall, Ont.

Main Products Lignin for plastics and rubber; Vanillin for flavouring essences and perfumes.

JAVEX COMPANY LIMITED

Executive Office Toronto, Ont.

Plants

Vancouver, B.C.; Edmonton, Alta.; Winnipeg, Man.; Toronto, Ont.; Montreal, Que.

Main Products "JAVEX" Liquid and Dry Bleach; "GLIDE" Liquid Laundry Starch; "GAY" Liquid Detergent; "FLEECY" Laundry Rinse.

SIFTO SALT (1960) LIMITED

Executive Office Montreal, Que.

Plants

Unity, Sask.; Sarnia, Ont.; Goderich, Ont.; Amherst, N.S.

Depots and Warehouses

Vancouver, B.C.; Winnipeg, Man.; Parry Sound, Ont.; Burlington, Ont.; Belleville, Ont.; Cornwall, Ont.; Montreal, Que. and Quebec City, Que.

Rock Salt Mine Goderich, Ont.

Main Products Packaged and bulk salt products for table, industrial, municipal or farm usage in rock salt, and refined evaporated grades.

COMPANY

BUILDING MATERIALS

THE ARBORITE COMPANY LIMITED

Executive Office LaSalle, Que.

Plants Toronto, Ont.; LaSalle, Que.

Main Products Decorative and Industrial Paper and Cloth Base Plastic Laminates; Rods; Tubes and Specialties.

THE ARBORITE COMPANY (U.K.) LIMITED

Executive Office London, England.

Warehouse Ealing, London, W.5.

Main Products Decorative Plastic Laminates.

GYPSUM, LIME & ALABASTINE LIMITED

CONSTRUCTION MATERIALS DIVISION

Executive Office Toronto, Ont.

Plants New Westminster, B.C.; Calgary, Alta.; Winnipeg, Man.; Caledonia, Ont.; Paris, Ont.; Toronto, Ont.; Montreal, Que.; Montreal East, Que.; Windsor, N.S.

Quarries and Mines Gypsumville, Man.; Nappan, N.S.

Main Products "GYPROC" Wallboard, Sheathing and Lath; "GYPROC" Insulation; Plaster; Stucco; Mortar Mixes; Water Paints; Sand Lime Bricks and Blocks.

COOKSVILLE-LAPRAIRIE BRICK LIMITED

Executive Office Montreal, Que.

Plants Cooksville, Ont.; Cheltenham, Ont.; Ottawa, Ont.; Delson, Que.; Laprairie, Que.

Main Products Burned Shale and Clay Brick and Tile; "SEALBOND" Mortar Admix; "HAYDITE" Light-weight Aggregate; Powder Spacers for blasting operations.

DONNACONA PAPER COMPANY, LIMITED (BOARD MILLS)

Executive Office Quebec City, Que.

Plant Donnacona, Que.

Main Products Insulating Board; Sheathing Board; Acoustical Board and Tiles; Plaster Base Board.

MURRAY-BRANTFORD LIMITED

Executive Office Montreal, Que.

Plants Saskatoon, Sask.; Brantford, Ont.; Cornwall, Ont.; Lachine, Que.; Saint John, N.B.

Main Products Built-up Asphalt and Pitch Roofing Materials; Asphalt Shingles and Sidings; Roll Roofings and Sheathings; "DONNA-CONA" Insulating and Hardboards; "FIBERGLAS"; Acoustical Tile; Protective Coatings; Waterproofing; Industrial Flooring; Insulation and Roof Maintenance Materials; "NO-CO-RODE" Pitch and Fibre Soil and Drain Pipe; Pitch and Fibre Underground Electrical Conduit.

HURON FOREST PRODUCTS CO. LIMITED

Executive Office Toronto, Ont.

Plants Blind River, Ont.; Sultan, Ont.

Main Products White and Red Pine Lumber, air and kiln dried; "BONDED PINE" Panels; Mouldings and Dressed Lumber.

SIPOREX LIMITED

Executive Office Montreal, Que.

Plants Scarborough, Ont.; Delson, Que.

Main Products Precast Light-Weight Cellular Concrete Slabs and Blocks; Precast Concrete Products.

PULP AND PAPER

ALLIANCE PAPER MILLS LIMITED

Executive Office Merritton, Ont.

Plants Merritton, Ont.; Georgetown, Ont.

Main Products Glassine and Greaseproof Papers; Carbonizing Tissues; Tabulating Card Stock; Patent Coated Board; Coated Book, Litho and Specialties; Bleached Sulphite Pulp.

CANADA PAPER COMPANY

Executive Office Montreal, Que.

Plant Windsor Mills, Que.

Main Products Wrapping and Converting Kraft Papers; Paper Towels; Bags; Building Papers; Converted Paper Specialties; Unbleached Sulphate Pulp.

Trading Branches

Kilgour's Limited

Offices and Warehouses in nine cities.

The MacGregor Paper & Bag Company, Incorporated

Offices and Warehouses in six cities.

Schofield Paper Company Limited

Saint John, N.B.; Halifax, N.S.

DONNACONA PAPER COMPANY, LIMITED

Executive Office Quebec City, Que.

Plant Donnacona, Que.

Main Products Newsprint and Unbleached Sulphite Pulp.

DON VALLEY PAPER CO., LIMITED

Executive Office Township of East York, Ont.

Plant Toronto, Ont.

Main Products Cover Papers; Blotting Papers; Tag Papers and Specialties.

HOWARD SMITH PAPER MILLS, LIMITED

Executive Office Montreal, Que.

Plants Cornwall, Ont.; Beauharnois, Que.

Main Products Fine Bond, Duplicating and Stationery Papers; Envelope, Book, Litho, Offset and Cover Papers; Bristols; Food Container and Milk Bottle Stock; Patent Coated Boards; Bleached Soda, Sulphite and Kraft Pulps.

Trading Branches

Federal Paper Company Limited
Montreal, Que. and Ottawa, Ont.

The Fred W. Halls Paper Company, Limited
Toronto, Ont. and London, Ont.

Buntin, Gillies & Company Limited
Hamilton, Ont. and Ottawa, Ont.

Canada Paper "Wholesale" Limited
Toronto, Ont. and Montreal, Que.

Main Products — Fine Printing and Stationery Papers.

MURRAY-BRANTFORD LIMITED (FELT MILLS)

Executive Office Montreal, Que.

Plants Thorold, Ont.; Portneuf, Que.

Main Products Felt Paper stocks for roofing and sheathing papers and for the manufacture of asphalt shingles and sidings.

TIMBER LIMITS AND WOODLANDS OFFICES

Province of Quebec — Bersimis, Cedar Rapids, Chaudière, Gaspé, Jacques Cartier River, Madeleine River, New Carlisle, North River, Oskelaneo, Quebec City, Sault-au-Mouton, Waswanipi, Windsor Mills.

Province of Ontario — Blind River, Cochrane, Cornwall, Madoc, Mattawa, Sudbury, Sultan.

U.S.A. — Plattsburg, N.Y.



"SIFTO" SALT

In addition to industrial salt Sifto Salt (1960) Limited produces many household varieties. Included in these are fine table salt, coarse salt for pickling and ice salt for driveways. When buying your own supplies think of the "Sifto" brand and support your Company's products.



"JAVEX"

JAVEX Company products are popular household items throughout Canada. They include "GAY" Liquid Detergent, "GLIDE" Laundry Starch, "FLEECY" Laundry Rinse, and "JAVEX" Liquid and Dry Bleaches. Look for them on the shelves of your favourite store.